

April 18, 2008

Honorable Mayor and City Council
City of San Diego
City Administration Building, 202 "C" Street
San Diego, CA 92101

Re: Annual review and update of the North City West School Facilities Master Plan for
Fiscal Year 2006/07 (currently known as the **Carmel Valley Community Plan area**).

In accordance with the provisions of the North City West School Facilities Master Plan adopted by City Council Resolution No. R-255381 on November 18, 1981, an annual review by the Joint Powers Agency (JPA) in Consultation with the City Council is required. The annual review is to "evaluate the performance of the program, to reassess the ongoing commitments to the completion of the needed school facilities and to reevaluate the costs and deposits for the financing program" (See Exhibit E, page 3 of the Plan).

Historical Overview:

The Joint Powers Agency titled "North City West School Facilities Financing Authority" came into existence on April 15, 1983, and was approved by the City Council on July 5, 1983 (City Council Resolution No. R-258883). The governing body of this unique Authority, which includes representatives of the Del Mar Union School District, Solana Beach School District (both kindergarten through 6th grades) and San Dieguito Union High School District (7th through 12th grades), held its organizational meeting on May 31, 1983.

The Master Plan created the procedures and the financial framework needed for the three JPA member school districts to provide the necessary kindergarten through twelfth grade public school facilities. The NCWSFFA was exempted from developer fee limitations (statutory school fees) imposed by the State legislature in 1986 by section GC65974 of the Government Code. Our official mission statement is: "The Mission of the North City West School Facilities Financing Authority is to provide school facilities, concurrent with need, to support the member School Districts' educational programs for Carmel Valley kindergarten through twelfth grade students".

In 1988, the JPA formed a Mello-Roos Community Facilities District (CFD No.1) to supplement the funding of school facilities and authorized the sale of \$80,000,000 in municipal bonds. The new CFD No. 1 covered approximately 96% of the vacant residential acreage remaining in Carmel Valley and, other than State funding, would become the primary source of school funding. In 1989, \$46,265,000 of the authorized Mello-Roos Bonds were issued.

In 1995, the JPA/CFD refinanced the remaining \$45,600,000 of the original Bond issue to achieve: (1) an appreciably lower interest rate and (2) provide the needed construction funds

sooner than they would have been available under the 1989 agreement. The balance of the \$33,735,000 Bond authorization was issued in 1997. There are 8,613 dwelling units in CFD No.1 as of July 1, 2007, which pay the Special Mello-Roos tax.

On September 1, 2002, the JPA approved a Facilities Funding Agreement that identified and prioritized the remaining schools and school expansion projects needed through Carmel Valley buildout. This unique document identified project cost estimates, and along with a Board Resolution approved in September 2001, identifies sources of JPA funds to be spent on the projects. These documents also formed the authorization of an additional \$21,857,921 in Subordinate Special Tax Revenue Bonds issued in September of 2002.

In August 2005, the JPA issued an additional \$17,665,000 of additional Mello-Roos Bonds (Series 2005A) and refunded the Series 1995B and 1997C Bonds, replacing them with Series 2005B and 2006C Bonds, issued at a substantially lower interest rate. There is currently a total **\$57,890,000** (par value) of Mello-Roos bonds issued and outstanding.

Approximately 4% of the unbuilt acreage was not included in CFD No. 1 and remained under the North City West school direct deposit fee schedule as outlined in the original Master Plan. As of today, there remains approximately 32 acres of vacant residentially zoned land subject to the direct fees (possibly 25 dwelling units). The San Diego City Council approved the current direct deposit fee schedule in effect for this land through fiscal year 2010 on May 7, 2002. The approved fiscal year **2006-2007** direct deposit fees were: **\$19,760** per single family dwelling unit and **\$13,832** per multiple family dwelling unit. School fees for **2007-08** will be 4% higher.

A new Mello-Roos District, CFD No. 2, was formed in 1997 to allow developers to annex some of the above vacant land into a CFD if a project using several parcels of land, one or more which was not in CFD No.1, to permit the entire project to be marketed at similar prices. As of July 1, 2007, 52 single-family homes are in CFD No. 2.

School facilities provided or planned for Carmel Valley students:

To date, the districts have completed the following projects:

<u>NAME</u>	<u>DISTRICT</u>	<u>YEAR COMPLETED</u>
Solana Highlands Elementary School	Solana Beach	1987
Torrey Pines High School, 22 classroom expansion	San Dieguito	1988
Carmel Del Mar Elementary School	Del Mar	1992
Carmel Del Mar Elementary School, 6 classroom addition	Del Mar	1993
Carmel Creek Elementary School	Solana Beach	1994
La Costa Canyon High School (1,800 student portion)	San Dieguito	1996
Ashley Falls Elementary School	Del Mar	1998
Carmel Creek Elementary School, 12 classroom addition	Solana Beach	1998
Solana Highlands Elementary School, 14 classroom addition	Solana Beach	1999
Ashley Falls Elementary School, 10 classroom addition	Del Mar	1999
Carmel Valley Middle School	San Dieguito	1999

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<u>NAME</u>	<u>DISTRICT</u>	<u>YEAR COMPLETED</u>
Sage Canyon Elementary School	Del Mar	2000
Sage Canyon Elementary School, 8 classroom addition	Del Mar	2001
Torrey Pines High School, 5 rooms of a 25 room expansion to accommodate class size reduction	San Dieguito	2001
Solana Pacific Elementary School (Neighborhood #9)	Solana Beach	2004
47 relocatable classrooms	various	1985-2004
Ocean Air Elementary School	Del Mar	2007

Construction is underway for the following school:
Carmel Valley Middle School expansion

needed in 2009

State Funding of Schools:

The 1981 Resolution adopted State funding as the primary mechanism for funding North City West schools. The Districts agree to keep active applications on file with the State of California Office of Public School Construction to obtain State funding in order to assist the funding of the necessary kindergarten through twelfth grade school facilities. As of June 2007, the Authority has received \$25.2 million in State funding, and these funds have been a key part in financing the school facilities needed for Carmel Valley students. The Solana Beach School District received an additional \$14.2 million in State funding for the new Solana Pacific Elementary School in Neighborhood #9, however, due to developer agreement, \$184,065 is due to the State.

Current strategies for size and number of schools:

Since the adoption of the School Facilities Master Plan in 1981 there have been changes in State law that have affected the facility requirements of the kindergarten through twelfth grade school facilities. The implementation of the State Class Size Reduction program in 1995 increased the minimum school size acreage required for a 600 student elementary school to twelve acres and increased the number of classrooms in the facility.

Class size reduction was subsequently implemented at the high school level, which in turn has required additional classrooms to be added at the high school.

The student population in the Carmel Valley area has also exceeded the projections of the Master Plan. The most recent district demographic studies forecast an enrollment of 4,428 kindergarten through sixth grade students, 1,311 seventh and eighth grade students, and 3,011 ninth through twelfth grade students at Carmel Valley residential buildout. This is a 25% increase (1,750 more students) from the 1981 NCW Master Plan projection of 7,000 K through twelfth grade students at buildout.

These changing demographics, student generation factors, type and size of dwelling units, environmental regulations, special education mandates, technology, and State legislation concerning class size reduction have caused the member school districts to reevaluate the size, number and location of needed facilities.

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As a result of the above noted changes: (1) both the Del Mar Union School District and the Solana Beach School District each established the need for an additional elementary school; and (2) the San Dieguito Union High School District has established the need for additional facilities to accommodate additional students in grades 7 through 12.

Fiscal year 2006/07 Accomplishments:

In September 2007, doors opened at Ocean Air Elementary School. Construction is complete with the exception of the proposed Joint Use Park. This new Del Mar Union School District elementary school will house approximately 540 students. The 77,000 square foot school includes the latest in educational technology.

Fiscal year 2007/08 plans:

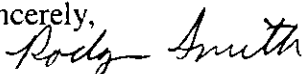
The San Dieguito Union High School District will be deciding on whether to expand the Carmel Valley Middle School with permanent classrooms and/or construct a new Middle School adjacent to the Canyon Crest Academy.

General comments:

While the residential development of Carmel Valley has matured and leveled off over the past five years *and has seen minimal housing starts this past year with the slowed economy*, the strong growth seen over the past decade continues in large part to the desirability of the schools and the educational programs provided by the member school districts. Although the additional students and the State class size reduction programs continue to challenge the member school districts, we continue to provide school facilities concurrent with their need. The continued cooperation among the JPA member school districts, the home developers and the City of San Diego has contributed materially to this assessment.

We look forward to continued close cooperation with the City of San Diego.

Sincerely,



Rodger Smith

Board Chairman, North City West School Facilities Financing Authority

file:cfd\AnnMastPlanLett07

COMMUNITY DEVELOPMENT
CITY OF SAN DIEGO
JUL 1 2008

000651

REQUEST FOR COUNCIL ACTION

CITY OF SAN DIEGO

1. CERTIFICATE NUMBER
(FOR AUDITOR'S USE ONLY) 105
06/10

TO: CITY ATTORNEY

2. FROM: (ORIGINATING DEPARTMENT)
CITY PLANNING & COMMUNITY
INVESTMENT DEPARTMENT

3. DATE
MAY 1, 2008

4. SUBJECT:
ANNUAL REVIEW OF THE NORTH CITY WEST (CARMEL VALLEY) SCHOOL FACILITIES MASTER PLAN, FISCAL YEAR 2006-2007

5. PRIMARY CONTACT (NAME, PHONE, MAIL STA.)
MEGAN SHEFFIELD x33672 MS 606F

6. SECONDARY CONTACT (NAME, PHONE, MAIL STA.)
PAM BERNASCONI x33677 MS 606F

7. CHECK BOX IF REPORT TO COUNCIL IS ATTACHED: ☐

8. COMPLETE FOR ACCOUNTING PURPOSES

FUND	DEPARTMENT	ORGANIZATION	OBJECT ACCOUNT	JOB ORDER	C.I.P. NUMBER	AMOUNT

9. ADDITIONAL INFORMATION / ESTIMATED COST:
None by this action.

10. ROUTING AND APPROVALS

ROUTE (#)	APPROVING AUTHORITY	APPROVAL SIGNATURE	DATE SIGNED	ROUTE (#)	APPROVING AUTHORITY	APPROVAL SIGNATURE	DATE SIGNED
1	ORIGINATING DEPARTMENT	CHARLENE M. GABRIEL	5/1/08	7	DEPUTY CHIEF	WILLIAM ANDERSON, FAICP	5/8/08
2	DSD/EAS	ALLISON SHERWOOD	5/2/08	8	COO	JAY GOLDSTONE	5/8/08
3	LAISON OFFICE	ED PLANK		9	CITY ATTORNEY	JANA GARMY	5/13/08
4	AUDITOR	ROB RUSCITTO	5/6/08	10	ORIG. DEPT.	CHARLENE M. GABRIEL	5/14/08
5	EOCP	Exempt per memo dated 11-15-05		✓	DOCKET COORD.		
					COUNCIL PRESIDENT		

☐ SPOB ☒ CONSENT ☐ ADOPTION
☐ REFER TO: _____ COUNCIL DATE: 6/10/08

11. PREPARATION OF: ☒ RESOLUTION(S) ☐ ORDINANCE(S) ☐ AGREEMENT(S) ☐ DEED(S)

11A. STAFF RECOMMENDATIONS:

Accept the annual report.

12. SPECIAL CONDITIONS (REFER TO A.R. 3.20 FOR INFORMATION ON COMPLETING THIS SECTION.)

COUNCIL DISTRICT(S): 1

COMMUNITY AREA(S): Carmel Valley

ENVIRONMENTAL IMPACT: As this item is an informational report only, it is exempt from CEQA under Section 15060 (c) (3) of the State CEQA Guidelines. It does not alter the public facilities to be provided in the community, as addressed in the Carmel Valley Community Plan EIR #89-1222.

HOUSING IMPACT: There is no housing impact as a result of this action.

OTHER ISSUES: None.

EXECUTIVE SUMMARY SHEET

DATE REPORT ISSUED: May 1, 2008 REPORT NO.:

ATTENTION: Council President and City Council
Agenda of

ORIGINATING DEPT.: City Planning & Community Investment Department

SUBJECT: Annual Review of the North City West (Carmel Valley) School
Facilities Master Plan, Fiscal Year 2006-2007

COUNCIL DISTRICT: 1 (Peters)

STAFF CONTACT: Megan Sheffield, (619) 533-3672

REQUESTED ACTION:

Accept the annual review of the North City West (Carmel Valley) School Facilities Master Plan, Fiscal Year 2006-2007, as submitted by the North City West School Financing Authority.

STAFF RECOMMENDATION:

Accept the annual review.

EXECUTIVE SUMMARY:

The North City West School Facilities Master Plan was adopted by City Council Resolution R-255381 on November 17, 1981. The Joint Powers Agency titled "North City West School Facilities Financing Authority" was adopted by the City Council on July 5, 1983, by Resolution R-2588833. The Mello-Roos Community Financing District No. 1 was formed on August 8, 1988, to supplement the financing of school facilities in Carmel Valley (formerly North City West). The Mello-Roos District covers 96% of the then remaining undeveloped residentially zoned land in Carmel Valley. The remaining 4% continues to be subject to the direct deposit fee established by the original Master Plan and updated periodically with City Council approval. The direct deposit fee schedule was last revised on May 7, 2002, and will remain in effect through fiscal year 2010.

The Master Plan indicated that an annual review by the City Council shall be performed in consultation with the Joint Powers Agency (JPA). The purpose of the review is to "evaluate the needed school facilities, and to reevaluated the costs and deposits for the program". The Joint Powers Agency has performed its annual review and summarized its findings in the attached letter dated April 18, 2008.

The member districts of the Joint Powers Agency have been evaluating school facilities needs in view of class size reductions and increased enrollments. Consequently, it has been determined that additional facilities will be needed beyond those provided for in the Master Plan. These requirements are outlined in the report and include two additional elementary schools. Because these additional facilities are financed entirely through the JPA, there is no impact on City funding sources.

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FISCAL CONSIDERATION:

None to the City

PREVIOUS COUNCIL AND/OR COMMITTEE ACTION:

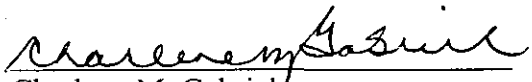
Previous City Councils have accepted the annual reports as submitted.

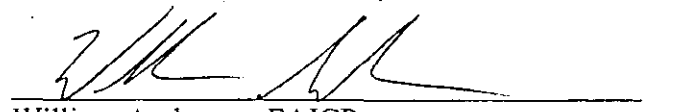
COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

None

KEY STAKEHOLDERS AND PROJECTED IMPACTS (if applicable):

The City is a member of the Joint Powers Agency along with the three school districts and has the responsibility to review compliance with the North City West School Facilities Master Plan.


Charlene M. Gabriel
Facilities Financing Manager
City Planning & Community Investment


William Anderson, FAICP
Deputy Chief Operating Officer: Executive Director
City Planning & Community Investment

ANDERSON/CMG/MFS

Attachment: Annual Review of the North City West School Facilities Master Plan for 2006-2007

000655

RESOLUTION NUMBER R-_____

DATE OF FINAL PASSAGE _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN
DIEGO ACCEPTING THE FISCAL YEAR 2006-2007 NORTH
CITY WEST (CARMEL VALLEY) SCHOOL FACILITIES
MASTER PLAN.

BE IT RESOLVED, by the council of the City of San Diego, that the annual review of
the Fiscal Year 2006-2007 North City West (Carmel Valley) School Facilities Master Plan, a
copy of which is on file in the office of the City Clerk as Document No. RR-_____,
is accepted.

This activity is now a "project" and is therefore not subject to the California
Environmental Quality Act [CEQA] pursuant to State Guidelines section 15060(c)(3).

APPROVED: MICHAEL J. AGUIRRE, City Attorney

By


Jana L. Garmo
Deputy City Attorney

JLG:als
05/12/08
Or.Dept:Planning & Comm.
R-2008-1056
MMS#6267

000656

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of _____.

ELIZABETH S. MALAND
City Clerk

By _____
Deputy City Clerk

Approved: _____
(date)

JERRY SANDERS, Mayor

Vetoed: _____
(date)

JERRY SANDERS, Mayor